

**Washington State Auditor's Office**  
**Accountability Audit Report**

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**Town of Carbonado**  
**Pierce County**

Audit Period  
**January 1, 2002 through December 31, 2003**

**Report No. 67519**

Issue Date  
**November 12, 2004**



Washington  
***State Auditor***  
Brian Sonntag

# Audit Summary

**Town of Carbonado  
Pierce County  
January 1, 2002 through December 31, 2003**

## ***ABOUT THE AUDIT***

This report contains the results of our independent accountability audit of the Town of Carbonado for the period January 1, 2002, through December 31, 2003.

We performed audit procedures to determine whether the Town complied with state laws and regulations and its own policies and procedures. Our work focused on specific areas that have potential for abuse and misuse of public resources.

## ***RESULTS***

The Town complied with state laws and regulations and its own policies and procedures in the areas we examined.

## ***RELATED REPORTS***

We issued a separate report on the Town's financial statements, which includes the Town's financial statements.

## ***CLOSING REMARKS***

We thank Town officials and personnel for their assistance and cooperation during the audit.

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Pierce County  
January 1, 2002 through December 31, 2003**

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# Description of the Town

## **Town of Carbonado Pierce County January 1, 2002 through December 31, 2003**

### ***ABOUT THE TOWN***

The Town of Carbonado serves approximately 650 citizens in Pierce County. The Town is governed by a mayor-council form of government with five elected Council Members and an independently elected Mayor. The Town operated on annual budgets of approximately \$495,000 and \$548,000 for 2003 and 2002, respectively. Its five regular and 12 temporary employees provide a range of services including water, sewer and garbage utilities. In addition, the Town operates a Fire Department and a cemetery. The Town contracts with other local governments for police and court services.

### ***AUDIT HISTORY***

We audit the Town every two years. The past three audits of the Town have been free of findings, as is the current audit. This reflects the Town's desire and commitment to maintain a financial system with strong internal controls.

### ***ELECTED OFFICIALS***

These officials served during the audit period:

Mayor  
Council:

Richie Morgan  
Buck McBride  
Jon Streepy  
Pete Strub  
Ben Burbank  
Jay Argo

### ***APPOINTED OFFICIALS***

Clerk/Treasurer  
Attorney

Brenda Streepy  
Loren Combs (contract position)

### ***ADDRESS***

Town

818 Eighth Avenue  
Drawer 91  
Carbonado, WA 98323  
(360) 829-0125  
(360) 829-9912 (fax)

# Audit Areas Examined

## **Town of Carbonado Pierce County January 1, 2002 through December 31, 2003**

In keeping with general auditing practices, we do not examine every portion of the Town of Carbonado's financial activities during each audit. The areas examined were those representing the highest risk of noncompliance, misappropriation or misuse. Other areas are audited on a rotating basis over the course of several years. The following areas of the Town were examined during this audit period:

### ***ACCOUNTABILITY FOR PUBLIC RESOURCES***

We evaluated the Town's accountability in the following areas:

- Cash receipting and revenues
- Purchase of goods and services
- Payroll
- Utilities
- Financial statement preparation and journal entries

### ***LEGAL COMPLIANCE***

We audited the following areas for compliance with certain applicable state and local laws and regulations:

- Deposit and investment of public funds
- Risk management
- Open Public Meetings Act
- Competitive bid law compliance
- Required financial schedules

### ***FEDERAL PROGRAMS***

We evaluated internal controls and tested compliance with federal program requirements, as applicable, for the Town's major federal program, which is listed in the Federal Summary section of the financial statement and single audit report.

### ***FINANCIAL AREAS***

Our opinion on the Town's financial statements is provided in a separate report. That report includes the Town's financial statements and other required financial information. We examined the financial activity and balances of the Town including:

- Cash and investments
- Revenues
- Expenditures
- Long-term debt
- Overall presentation of the financial statements